351.309(c)(1)(i). Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than September 20, 1999. The Department will issue a notice of final results of this sunset review, which will include the results of its analysis of issues raised in any such comments, no later than November 30, 1999.

This five-year (''sunset'') review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: July 23, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99–19446 Filed 7–28–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

[C–333–401]

Preliminary Results of Full Sunset Review: Cotton Shop Towels From Peru

AGENCY: Import Administration, International Trade Administration, Department of Commerce.

ACTION: Notice of preliminary results of full Sunset Review: Cotton shop towels from Peru.

SUMMARY: On January 4, 1999, the Department of Commerce (''the Department'') initiated a sunset review of the suspended countervailing duty investigation on cotton shop towels from Peru (64 FR 364) pursuant to section 751(c) of the Tariff Act of 1930, as amended (''the Act''). On the basis of a notice of intent to participate filed on behalf of the domestic industry and adequate substantive comments filed on behalf of both the domestic industry and respondent interested parties, the Department is conducting a full review. As a result of this review, the Department preliminarily finds that termination of the suspended countervailing duty investigation would not likely lead to continuation or recurrence of a countervailable subsidy.

FOR FURTHER INFORMATION CONTACT: Scott E. Smith or Melissa G. Skinner, Office of Policy for Import Administration, International Trade Administration, U.S. Department of Commerce, 14th Street & Constitution Avenue NW, Washington, D.C. 20230; telephone: (202) 482–6397 or (202) 482–1560, respectively.

EFFECTIVE DATE: July 29, 1999.

Statute and Regulations

This review is being conducted pursuant to sections 751(c) and 752 of the Act. The Department's procedures for the conduct of sunset reviews are set forth in *Procedures for Conducting Five-year (''Sunset'') Reviews of Antidumping and Countervailing Duty Orders,* 63 FR 13516 (March 20, 1998) (*''Sunset Regulations''*) and in 19 CFR Part 351 (1998) in general. Guidance on methodological or analytical issues relevant to the Department's conduct of sunset reviews is set forth in the Department's Policy Bulletin 98:3—*Policies Regarding the Conduct of Five-year (''Sunset'') Reviews of Antidumping and Countervailing Duty Orders; Policy Bulletin,* 63 FR 18871 (April 16, 1998) (*''Sunset Policy Bulletin''*).

Scope

The merchandise subject to this suspended countervailing duty investigation is cotton shop towels from Peru. Shop towels are absorbent industrial wiping cloths made from a loosely woven fabric. Shop towels are currently classifiable under item numbers 6307.10.2005 and 6307.10.2015 of the Harmonized Tariff Schedule of the United States (''HTSUS''). Although the HTSUS subheadings are provided for convenience and customs purposes, the written description remains dispositive.

History of the Order

On June 21, 1984, the Department issued an affirmative preliminary determination in the countervailing duty investigation on cotton shop towels from Peru (49 FR 26273). The Department preliminarily found a net bounty or grant of 44 percent *ad valorem* based on the certificate of tax rebate (CERTEX) and non-traditional export fund (FENT).

On September 12, 1984, the Department suspended the countervailing duty investigation on the basis of an agreement between the Department and Fabrica de Tejidos La Union Limitada, S. A. (''La Union'') and Santa Cecilia Compania Textil, S.A. (''Santa Cecilia'') to cease exports of the subject merchandise to the United States (49 FR 35835). No final determination was issued in this case and the Department has not conducted an administrative review.

Beginning in 1989, the Department began publishing notices of intent to terminate the suspended investigation. However, on the basis of objections by Milliken & Company (''Milliken''), the Department has not terminated the suspended investigation.[1]

Background

On January 4, 1999, the Department initiated a sunset review of the suspended countervailing duty investigation on cotton shop towels from Peru (64 FR 364), pursuant to section 751(c) of the Act. The Department received an Entry of Appearance from Milliken on January 19, 1999, within the deadline specified in section 351.218(d)(1)(i) of the *Sunset Regulations.*

The Department received complete substantive responses from the Government of Peru, the Comite Textil—Sociedad Nacional de Industrias (''Comite Textil'') and from Milliken on February 10, 1999, within the deadline specified in the *Sunset Regulations* under section 351.218(d)(3)(i).[2]

In its substantive response, Milliken claimed interested party status under section 19 U.S.C. 1677(9)(C), as a domestic producer of shop towels. Further, Milliken stated that it was the sole petitioner in the original investigation of shop towels from Peru and had participated as a domestic producer interested party in the proceeding since 1984.

In its substantive response, the Comite Textil stated that it is a Peruvian trade association whose members are textile manufacturers, producers, and exporters. The Comite Textil claimed interested party status under section 771(9) of the Act. Moreover, two of the Comite Textil's members, La Union and Santa Cecilia, are the two Peruvian

[1] *See Cotton Shop Towels from Peru; Intent to Terminate Suspended Investigation,* 54 FR 38262 (September 15, 1989); *Cotton Shop Towels from Peru; Determination Not to Terminate Suspended Investigation,* 54 FR 43977 (October 30, 1989); *Cotton Shop Towels from Peru; Intent to Terminate Suspended Investigation,* 55 FR 35921 (September 4, 1990); *Cotton Shop Towels from Peru; Determination Not to Terminate Investigation,* 55 FR 43994 (October 29, 1990); *Cotton Shop Towels from Peru; Intent to Terminate Suspended Investigation,* 57 FR 39391 (August 31, 1992); *Cotton Shop Towels from Peru; Determination Not to Terminate Suspended Investigation,* 57 FR 52614 (November 4, 1992); *Cotton Shop Towels from Peru; Intent to Terminate Suspended Investigation,* 59 FR 45261 (September 1, 1994); *Cotton Shop Towels from Peru; Intent to Terminate Suspended Investigation,* 61 FR 40408 (August 2, 1996); *Cotton Shop Towels from Peru; Intent to Terminate Suspended Investigation,* 61 FR 41128 (August 7, 1996); *Cotton Shop Towels from Peru; Determination Not to Terminate Suspended Investigation,* 61 FR 47885 (September 11, 1996).

[2] On February 3, 1999, the Department received and granted a request from the Government of Peru for a five working-day extension of the deadline for filing substantive responses in this sunset review. This extension was granted for all participants eligible to file substantive comments in this review. The deadline for filing rebuttals to the substantive comments therefore became February 10, 1999.

companies that signed the suspension agreement. In addition, the Government of Peru claimed interested party status under section 771(9)(B) of the Act, as a government of the country where subject merchandise is produced and from which it is exported. The Peruvian government stated that it has, in the past, submitted responses to the Department with regard to this suspended countervailing duty investigation.

Because the responses of the Comite Textil and the Peruvian government constituted an adequate response to the notice of initiation, the Department is conducting a full (240 day) review in accordance with section 351.218(e)(2) of the *Sunset Regulations*.

On February 19, 1999, the Department received rebuttal comments from both Milliken and the Comite Textil.[3]

The Department determined that the sunset review of the suspended countervailing duty investigation on cotton shop towels from Peru is extraordinarily complicated. In accordance with section 751(c)(5)(C)(v) of the Act, the Department may treat a review as extraordinarily complicated if it is a review of a transition order (*i.e.*, an order in effect on January 1, 1995). (*See* section 751(c)(6)(C) of the Act.) Therefore, on April 26, 1999, the Department extended the time limit for completion of the preliminary results of this review until not later than July 23, 1999, in accordance with section 751(c)(5)(B) of the Act.[4]

Determination

In accordance with section 751(c)(1) of the Act, the Department is conducting this review to determine whether termination of the suspended countervailing duty investigation would be likely to lead to continuation or recurrence of a countervailable subsidy. Section 752(b) of the Act provides that, in making this determination, the Department shall consider the net countervailable subsidy determined in the investigation and subsequent reviews, and whether any change in the program which gave rise to the net countervailable subsidy has occurred that is likely to affect that net countervailable subsidy. Pursuant to section 752(b)(3) of the Act, the Department shall provide to the International Trade Commission (''the Commission'') the net countervailable subsidy likely to prevail if the suspended investigation is terminated. In addition, consistent with section 752(a)(6), the Department shall provide the Commission information concerning the nature of the subsidy and whether the subsidy is a subsidy described in Article 3 or Article 6.1 of the Subsidies Agreement.

The Department's preliminary determinations concerning continuation or recurrence of a countervailable subsidy, the net countervailable subsidy likely to prevail if the suspended investigation is terminated, and nature of the subsidy are discussed below. In addition, parties' comments with respect to each of these issues are addressed within the respective sections.

Continuation or Recurrence of a Countervailable Subsidy

Parties' Comments

In its substantive response, Milliken argued that termination of the suspended investigation on cotton shop towels from Peru would likely result in the recurrence of a countervailable subsidy on the subject merchandise from Peru (*see* Substantive Response of Milliken, February 10, 1999, at 3). Milliken maintained that, to the best of its knowledge, there is no evidence that the programs in question (the CERTEX and FENT programs) have been suspended or terminated beyond the partial termination announced by the Peruvian Ambassador in the original proceedings (*see* Substantive Response of Milliken, February 10, 1999, at 5).[5]

Additionally, Milliken maintained that the cessation of imports into the U.S. of cotton shop towels from Peru indicates that the Peruvian exporters cannot export to the U.S. without the benefit of countervailable subsidies (*see* Substantive Response of Milliken, February 10, 1999, at 5). According to Milliken, the most recent information reflects the continued non-existence of imports into the United States of cotton shop towels from Peru.

Milliken argued, therefore, that on the basis of the principles set out in the *Sunset Policy Bulletin* and the SAA, there is a clear case for a determination of likelihood of continuation or recurrence of a countervailable subsidy.

The Comite Textil argued in its substantive response that the subsidy programs at issue—indeed all countervailable subsidy programs—have been eliminated by the Government of Peru and there is neither need nor justification for the suspension agreement (*see* Substantive Response of the Comite Textil, February 10, 1999, at 3). The Comite Textil stated that support for the statement that all countervailable subsidies have been eliminated was presented during the 1994 verification conducted in Peru by the Department in the administrative review of *Cotton Yarn from Peru* (C–333–002), a countervailing duty order that was subsequently revoked on August 9, 1995 (*see* Substantive Response of the Comite Textil, February 10, 1999, at 2). The Comite Textil stated that Legislative Decree No. 622, published November 30, 1990, eliminated the CERTEX program. The Comite Textil further stated that a directive from the Central Reserve Bank of Peru to all other banks (Circular No. 032–91–EF/90, dated September 13, 1991) eliminated all FENT lines of credit as of January 1, 1992, and thereby ended the FENT program. The Comite Textil and the Peruvian government included in their substantive responses a copy of the decree, with translation of relevant excerpts and circular (*see* Substantive Response of the Comite Textil, February 10, 1999, the Declaration of the Ambassador of Peru, and attachments 1–3).

Furthermore, the Comite Textil stated that independent confirmation of the elimination of these programs was part of a larger permanent change in Peruvian Government policy can be found in the 1994 report prepared by the World Bank. The full report of the World Bank's 1994 independent audit of two Peruvian loans was provided in the substantive response. Finally, the Comite Textil provided a copy of Peru's Constitution, adopted December 29, 1993, and stated that the Constitution establishes the strict policy of commercial openness and free competition as a critical part of the economic framework of the country.

Parties' Rebuttal Comments

In its rebuttal comments, Milliken argued that although the respondents asserted that the CERTEX and FENT programs have been eliminated, they did not submit specific evidence that all subsidy programs from which Peruvian exporters of shop towels can potentially benefit have been eliminated or that Peruvian shop towel manufacturers are not eligible for such programs. Milliken asserted that this is important because

[3] On February 11, 1999, the Department received and granted a request from the Comite Textil for a five working-day extension of the deadline for filing rebuttal comments in this sunset review. This extension was granted for all participants eligible to file rebuttal comments in this review. The deadline for filing rebuttals to the substantive comments therefore became February 19, 1999.

[4] *See Sugar From the European Community: Extension of Time Limit for Preliminary Results of Five-Year Review*, 64 FR 3683 (January 25, 1999).

[5] During the original investigation, the Peruvian Ambassador to the United States informed the Department that on June 17, 1984, the Peruvian government promulgated Supreme Decree No. 251–84-EFC eliminating cotton shop towel exports to the U.S. from eligibility for the CERTEX and FENT programs (*see* 49 FR 26273 at 26275).

the Department has found that a number of other Peruvian programs confer countervailable subsidies in other countervailing duty investigations. Specifically, Milliken referred to the granting of tax incentives for investments outside the Department of Lima or the Province of Callao under the 1982 Industrial Law, as well as an employment benefit for decentralized companies under Article 8 of Decree 22836.[6] Additionally, Milliken stated that the Government of Peru acknowledged the existence of an export insurance program (SECREX) in its July 28, 1994, response to Supplementary Questionnaire in the countervailing duty proceeding on cotton yarn from Peru.

In their rebuttal comments, the Comite Textil stated that its substantive response included clear-cut documentary evidence of the complete repeal of the countervailable subsidy programs identified in the suspended investigation of cotton shop towels from Peru. Further, the Comite Textile asserted that the February 10, 1999, Declaration of Ambassador Ricardo Luna (also attached to its substantive response) makes clear that the Peruvian Government's commitment to nonintervention in its free market economy and rejection of subsidy programs has continued without interruption for nearly a decade to the present. Finally, the Comite Textile stated that these principles, which are embedded in the Constitution, are also integral to Peru's international undertakings with the International Monetary Fund on economic and fiscal policy and the domestic adoption of the Agreement establishing the World Trade Organization and the Multilateral Agreements contained in the Final Act of the Uruguay Round of the GATT.

Department's Determination

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreements Act (''URAA''), specifically the Statement of Administrative Action (''the SAA''), H.R. Doc. No. 103–316, vol. 1 (1994), the House Report, H.R. Rep. No. 103–826, pt.1 (1994), and the Senate Report, S. Rep. No. 103–412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the basis for likelihood determinations. The Department clarified that determinations of likelihood will be made on an order-wide basis (*see* section III.A.2 of the *Sunset Policy Bulletin*). Additionally, the Department normally will determine that termination of a suspended countervailing duty investigation is likely to lead to continuation or recurrence of a countervailable subsidy where (a) a subsidy program continues, (b) a subsidy program has been only temporarily suspended, or (c) a subsidy program has been only partially terminated (*see* section III.A.3.a of the *Sunset Policy Bulletin*). Exceptions to this policy are provided where a company has a long record of not using a program (*see* section III.A.3.b of the *Sunset Policy Bulletin*).

In this review, the Government of Peru and the Comite Textile asserted that the two programs preliminarily found in the original investigation to confer subsidies have both been completely eliminated. As noted in the *Sunset Policy Bulletin,* where a foreign government has eliminated a subsidy program, the Department will consider the legal method by which the government eliminated the program and whether the government is likely to reinstate the program. As noted above, the respondents submitted copies of the legislative decree and directive supporting their assertion that these programs have been terminated. We note that Milliken did not argue that these programs have not been terminated or that these programs could easily be reinstated. Given the evidence submitted by the respondents, we preliminarily determine that both the CERTEX and FENT programs have been eliminated and cannot easily be reinstated.

Referring to section 752(b)(2) of the Act, the *Sunset Policy Bulletin* provides that if the Department determines that good cause is shown, the Department will consider programs determined to provide countervailable subsidies in other investigations or reviews, but only to the extent that such programs (a) can potentially be used by the exporters or producers subject to the sunset review and (b) did not exist at the time that the suspension agreement was accepted (*see* section III.C.1). Additionally, the *Sunset Policy Bulletin* provides that if the Department determines that good cause is shown, the Department will also consider programs newly alleged to provide countervailable subsidies, but only to the extent that the Department makes an affirmative countervailing duty determination with respect to such programs and with respect to the exporters or producers subject to the sunset review (*see* section III.C.2). Both sections specify that the burden is on interested parties to provide information or evidence that would warrant consideration of the subsidy program in question. As noted above, Milliken merely stated that the Department has found in other countervailing duty investigations that a number of other Peruvian programs confer countervailable subsidies.

With respect to the tax incentive for investments outside the Department of Lima or the Province of Callao under the 1982 Industrial Law, we note that this program existed at the time the suspension agreement was accepted. Further, we note that both signatories to the suspension agreement, La Union and Santa Cecilia have Lima, Peru addresses which would appear to make them ineligible for this program.[7]

With respect to the employment benefit for decentralized companies under Article 8 of Decree 22836, we note that such program was also in effect at the time the suspension agreement was accepted.[8] Additionally, the Lima, Peru addresses of the suspension agreement signatories appear to make them ineligible for this program.

Finally, with respect to the SECREX program, Milliken did not provide any information other than to state that the Government of Peru had acknowledged the existence of the program.

On the basis of the above analysis, we preliminarily find that termination of the suspended investigation is not likely to result in the continuation or recurrence of a countervailable subsidy.

Net Countervailable Subsidy

Parties' Comments

In its substantive response, Milliken argued that based on an application of the principles expressed in the *Sunset Policy Bulletin,* the Department should provide to the Commission a net countervailable subsidy rate of 44 percent ad valorem, the country-wide rate of bounty or grant determined in the original preliminary determination. Milliken stated that this represents the only calculation of the net countervailable subsidy and, since the Department has conducted no administrative reviews since the

[6] Milliken cites to *Deformed Steel Concrete Reinforcing Bar from Peru,* 50 FR 48819, and *Certain Textile Mill Products and Apparel from Peru,* 50 FR 9871.

[7] *See Cotton Shop Towels From Peru; Suspension of Countervailing Duty Determination,* 49 FR 35835 (September 12, 1984).

[8] The program was determined to provide an estimated bounty or grant of 0.008 percent *ad valorem* during 1983 in *Final Affirmative Countervailing Duty Determinations and Countervailing Duty Orders; Certain Textile Mill Products and Apparel From Peru; and Rescission of Initiation of Investigations With Respect to Hand-Made Alpaca Apparel and Hand-Made Carpets and Tapestries,* 50 FR 987, 9876 (March 12, 1985).

preliminary determination, the *Sunset Policy Bulletin* dictates that the Department should not make any adjustments to this rate. Moreover, Milliken argued that since the Peruvian Government modified the CERTEX and FENT programs to eliminate exports to the United States from eligibility, rather than the programs in their entirety, no adjustment should be made.

In its substantive response, the Comite Textil stated that the net countervailable subsidy that would prevail if the suspended investigation were terminated would be zero, bcause, as discussed above, there are no countervailable programs in place.

Department's Determination

Because we preliminarily determine that a countervailable subsidy is not likely to continue or recur were the suspended investigation to be terminated, there is no net countervailable subsidy to report to the Commission.

Nature of the Subsidy

Parties' Comments

Neither party addressed this issue.

Department's Position

Because we preliminarily determine that a countervailable subsidy is not likely to continue or recur were the suspended investigation to be terminated, there is no nature of the subsidy to report to the Commission.

Preliminary Results of Review

As a result of this review, the Department preliminarily finds that termination of the suspended countervailing duty investigation would not be likely to lead to continuation or recurrence of a countervailable subsidy. As a result of this determination, the Department, pursuant to section 751(d)(2) of the Act, preliminarily intends to terminate the suspended countervailing duty investigation on cotton shop towels from Peru. Pursuant to section 751(c)(6)(A)(iv) of the Act, this termination would be effective January 1, 2000.

Consistent with section 351.218(f)(2)(i) of the *Sunset Regulations* we intend to verify the factual information relied on in making this determination because we preliminarily determine that termination of the suspended investigation is not likely to lead to continuation or recurrence of a countervailable subsidy and our preliminary results are not based on countervailing duty rates determined in the investigation or subsequent reviews.

Any interested party may request a hearing within 30 days of publication of this notice in accordance with 19 CFR 351.310(c). Any hearing, if requested, will be held on September 20, 1999. Interested parties may submit case briefs no later than September 13, 1999, in accordance with 19 CFR 351.309(c)(1)(i). Rebuttal briefs, which must be limited to issues raised in the case briefs, may be filed not later than September 16, 1999. The Department will issue a notice of final results of this *Sunset Review,* which will include the results of its analysis of issues raised in any such comments, no later than November 30, 1999.

This five-year (''sunset'') review and notice are in accordance with sections 751(c), 752, and 777(i)(1) of the Act.

Dated: July 23, 1999.

Robert S. LaRussa,

Assistant Secretary for Import Administration.

[FR Doc. 99–19444 Filed 7–28–99; 8:45 am]

BILLING CODE 3510–DS–P

DEPARTMENT OF COMMERCE

International Trade Administration

Export Trade Certificate of Review

ACTION: Notice of application to amend certificate.

SUMMARY: The Office of Export Trading Company Affairs (''OETCA''), International Trade Administration, Department of Commerce, has received an application to amend an Export Trade Certificate of Review. This notice summarizes the proposed amendment and requests comments relevant to whether the amended Certificate should be issued.

FOR FURTHER INFORMATION CONTACT: Morton Schnabel, Director, Office of Export Trading Company Affairs, International Trade Administration, (202) 482–5131. This is not a toll-free number.

SUPPLEMENTARY INFORMATION: Title III of the Export Trading Company Act of 1982 (15 U.S.C. 4001–21) authorizes the Secretary of Commerce to issue Export Trade Certificates of Review. A Certificate of Review protects the holder and the members identified in the Certificate from state and federal government antitrust actions and from private treble damage antitrust actions for the export conduct specified in the Certificate and carried out in compliance with its terms and conditions. Section 302(b)(1) of the Act and 15 CFR 325.6(a) require the Secretary to publish a notice in the **Federal Register** identifying the applicant and summarizing its proposed export conduct.

Request for Public Comments

Interested parties may submit written comments relevant to the determination whether an amended Certificate should be issued. If the comments include any privileged or confidential business information, it must be clearly marked and a nonconfidential version of the comments (identified as such) should be included. Any comments not marked privileged or confidential business information will be deemed to be nonconfidential. An original and five copies, plus two copies of the nonconfidential version, should be submitted no later than 20 days after the date of this notice to: Office of Export Trading Company Affairs, International Trade Administration, Department of Commerce, Room 1104H, Washington, DC 20230. Information submitted by any person is exempt from disclosure under the Freedom of Information Act (5 U.S.C. 552). However, nonconfidential versions of the comments will be made available to the applicant if necessary for determining whether or not to issue the Certificate. Comments should refer to this application as ''Export Trade Certificate of Review, application number 84–10A12.''

Northwest Fruit Exporters' (''NFE'') original Certificate was issued on June 11, 1984 (49 FR 24581, June 14, 1984) and previously amended on May 2, 1988 (53 FR 16306, May 6, 1988); September 21, 1988 (53 FR 37628, September 27, 1988); September 20, 1989 (54 FR 39454, September 26, 1989); November 19, 1992 (57 FR 55510, November 25, 1992); August 16, 1994 (59 FR 43093, August 22, 1994); November 4, 1996 (61 FR 57850, November 8, 1996); October 22, 1997 (62 FR 55783, October 28, 1997); and November 2, 1998 (63 FR 60304, November 9, 1998). A summary of the application for an amendment follows.

Summary of the Application

Applicant: Northwest Fruit Exporters, 105 South 18th Street, #227, Yakima, Washington 98901.

Contact: James R. Archer, Manager, Telephone: (509) 576–8004.

Application No.: 84–10A12.

Date Deemed Submitted: July 22, 1999.

Proposed Amendment: Northwest Fruit Exporters seeks to amend its Certificate to:

1. Add each of the following companies as a new ''Member'' of the Certificate within the meaning of § 325.2(l) of the Regulations (15 CFR